

**MINUTES OF THE
SENATE COMMITTEE ON FINANCE**

**Seventy-Eighth Session
February 23, 2015**

The Senate Committee on Finance was called to order by Chair Ben Kieckhefer at 8:00 a.m. on Monday, February 23, 2015, in Room 2134 of the Legislative Building, Carson City, Nevada. The meeting was videoconferenced to Room 4412E of the Grant Sawyer State Office Building, Las Vegas, Nevada. [Exhibit A](#) is the Agenda. [Exhibit B](#) is the Attendance Roster. All exhibits are available and on file in the Research Library of the Legislative Counsel Bureau.

COMMITTEE MEMBERS PRESENT:

Senator Ben Kieckhefer, Chair
Senator Pete Goicoechea
Senator Mark A. Lipparelli
Senator David R. Parks
Senator Joyce Woodhouse
Senator Aaron D. Ford

COMMITTEE MEMBERS ABSENT:

Senator Michael Roberson, Vice Chair (Excused)

STAFF MEMBERS PRESENT:

Mark Krmpotic, Senate Fiscal Analyst
Alex Haartz, Principal Deputy Fiscal Analyst
Emily Cervi, Committee Assistant
Jason Gortari, Committee Secretary

OTHERS PRESENT:

Mindy Martini, Deputy Superintendent for Business and Support Services,
Department of Education
Robert Pawley, Director, Business Services, Department of Education
John Sande IV, Universal Health Services of Delaware
Ralph A. Vinci, Principal, Truckee Meadows School, Willow Springs Center
Nicole Rourke, Clark County School District
Lindsay Anderson, Washoe County School District

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Tim Rubald, Program Manager, Conservation Districts Program, State
Department of Conservation and Natural Resources
Steve Walker, Douglas County, Eureka County and Lyon County

Chair Kieckhefer:

I will open today's hearing with Senate Bill (S.B.) 100.

SENATE BILL 100: Revises provisions relating to education provided to children in a hospital or other licensed facility that provides residential treatment to children. (BDR 34-524)

Senator Joyce Woodhouse (Senatorial District No. 5):

I am Joyce Woodhouse, representing Senate District No. 5 in Clark County. I am here today to introduce S.B. 100, which revises provisions related to accounting for facilities-based education. During this past term, I served as Chair of the Legislative Committee on Education (LCE). Last June, we received correspondence from the Department of Education (NDE), asking for the Committee's assistance in solving a technical issue.

Due to the limited number of bill drafts available to the LCE, I volunteered to submit a bill draft request on this measure. This bill also addresses a technicality that we need to fix from a measure that we passed in 2013.

The law states that the per-pupil reimbursement amount for students being educated while in a hospital or other residential treatment facility is calculated based upon the per-pupil funding level in the school district where the child lives. This amount is then deducted from the payments of the child's home school district and paid to the facility by the NDE. This approach causes an unnecessary financial burden on the school districts. As a result, the NDE and school districts ask that we amend the statute to fund these students directly from the Distributive School Account (DSA), or a special budget account where the reimbursement amount would be at the statewide average per-pupil cost and that the costs are no longer deducted from local school district funding.

This revised process would maintain total per-pupil revenue within the school district where the student will return. This process will also continue to reimburse residential facilities for educational services. I do not know what the aggregate costs to calculate, account for and execute these transactions statewide are, but the State only spends approximately \$225,000 annually on

these residential services. Funding them directly and not reducing the school districts' allocation seems appropriate.

There appear to be two minor issues with the bill. Clarifying amendments are likely needed to fix those issues. As it stands, the bill implies that a facility would receive an entire year's worth of per-pupil funding regardless of how long that child was in that residence.

A possible fix to this issue would be to clarify that the reimbursement to the hospital or residential treatment facility would then be proportional to the time the student is in residence at the facility. Two amendments have been submitted and testimony will be presented to this Committee. We ask that you entertain those two amendments.

Chair Kieckhefer:

Ms. Martini, please address the fiscal note and your proposed amendment.

Mindy Martini (Deputy Superintendent for Business and Support Services, Department of Education):

I have submitted a conceptual amendment to S.B. 100 ([Exhibit C](#)).

We have prepared an amendment that would clarify that the section 1, subsection (2) reimbursement to the hospital or residential treatment facility would be equal to the proportion of time that the student is in that facility. If this amendment is approved, it would reduce the expenditures to be within the margin of error for enrollment resulting in zero fiscal impact to this measure.

Senator Goicoechea:

Right now, if a student is in a school on count day, the DSA will be paying them for the year. In this case, while the student is in the residential treatment facility, would the DSA pay an additional amount for that time period the student was in the residential treatment facility?

Ms. Martini:

Yes.

Chair Kieckhefer:

What if the student is in the residential treatment facility on count day?

Robert Pawley (Director, Business Services, Department of Education):

If the school reports back to me that the student has returned to the school, we add one more student to their account. The school will then be reimbursed for that student after they return to their district.

Chair Kieckhefer:

In the end, is the district made whole on a proportional basis, or do they get the whole year?

Mr. Pawley:

They get the whole year.

Chair Kieckhefer:

Is it currently funded on a proportional basis or is it done in full-freight?

Ms. Martini:

It is done on a proportional basis. However, it is reduced from the school district's total per-pupil number.

Chair Kieckhefer:

Mr. Sande, please present your amendment.

John Sande IV (Universal Health Services of Delaware):

I have submitted a proposed amendment to S.B. 100 ([Exhibit D](#)).

I am here today representing Universal Health Services of Delaware and Willow Springs Hospital. Children in these residential treatment facilities have significantly benefited from S.B. No. 344 of the 77th Session. I want to propose clarification of S.B. No. 344 of the 77th Session.

Senate Bill No. 344 of the 77th Session allows the school to seek reimbursement for per-pupil funding while that child is at the residential treatment facility. Students at Willow Springs Center are unique because they are special needs kids on an individual education plan. Teachers and staff possess special skills which allow them to educate these children. Initially, we thought we could get special education funding, but discovered it was not part of the per-pupil funding and not a part of the special education program units you have to apply for. Our amendment puts facilities like Willow Springs on the

list of facilities and schools that can apply for special education program units. It also allows for reallocation of unused allocations.

Ralph A. Vinci (Principal, Truckee Meadows School, Willow Springs Center):

We have 115 beds at the Truckee Meadows School in the Willow Springs Center. This residential treatment facility consists of adolescents and students from prekindergarten through Grade 12. This facility is a 24-hour locked unit for therapeutic services. The students attend treatment and go to traditional school at this facility. Students change classes and have traditional courses such as math, science, history and English.

We try to maintain credits earned by our students while they are in treatment. Students receive full credit for the time they are in our facility so when they go back to their zoned district school, their transcript and grades are sent immediately upon discharge to that school. This allows our students not to lose time while they are in treatment.

Our average stay is approximately 120 days per student, but we have had students that have been here up to 365 days due to family dynamics outside of our facility. The reimbursement to our facility is necessary for curriculum development and computer work. Reimbursement will also allow our students to experience a traditional school schedule, concerning academia, while they are going through treatment.

Chair Kieckhefer:

Are your costs covered by the percent of reimbursement you receive?

Mr. Vinci:

No.

Chair Kieckhefer:

How many staff members do you have at the school?

Mr. Vinci:

We have seven certified school teachers and classroom aides who assist in the classrooms.

Chair Kieckhefer:

How many total personnel are there?

Mr. Vinci:

We have approximately nine staff members.

Chair Kieckhefer:

What percentage of the total cost does the DSA allotment cover for this education?

Mr. Vinci:

It is about 72 percent.

Nicole Rourke (Clark County School District):

I am here representing the Clark County School District to support S.B. 100. We worked with the sponsor of the bill last Session to create this mechanism. We are grateful for the transparency and efficiency that this bill provides and that it does not affect our funding.

Chair Kieckhefer:

Can you speak to the proposed amendments?

Ms. Rourke:

It makes sense to use the proportionality proposed by NDE in the first amendment. If the second amendment helps children who are in facilities, then we support that too.

Lindsay Anderson (Washoe County School District):

We are glad to be getting a portion of our money back to reinvest in the education of children returning to our school district.

Chair Kieckhefer:

I will now open the hearing on S.B. 45.

SENATE BILL 45: Revises provisions governing the distribution of grants of money by the State Conservation Commission to conservation districts. (BDR 49-361)

Tim Rubald (Program Manager, Conservation Districts Program, State Department of Conservation and Natural Resources):

I have submitted a prepared statement for the record ([Exhibit E](#)).

Senate Bill 45 dates back to last Session, when the Conservation District Program budget was \$40,000 per fiscal year for use as an ongoing competitive grant fund. This funding exists to assist districts in quickly putting projects on the ground in the sagebrush ecosystem.

Twenty-five of the 28 districts have sage grouse habitats, some being for the greater sage grouse and others being for bistrade sage grouse. Please note, this grant pool funding is separate from the ongoing pass-through stipend that each district in good standing receives annually in equal amounts from the total appropriation.

After last Session, we developed regulations for the competitive grant process to allow districts to apply for grant funding. The program staff and the Legislative Counsel Bureau Legal Division recognized that if we want to establish this grant fund as a competitive pool to fund projects, a small change to statute was necessary. Due to the urgency of sage grouse habitat issues, the State Conservation Commission approved regulations which provided specific qualifications for the grant program. The Commission was then able to fund 14 of the 17 applications received, based on these qualifications. The grant funding had to all be distributed in equal amounts and not on a competitive basis, as originally intended by the agency and Legislature. The proposed amendment in S.B. 45 will allow the Commission to provide these funds, in addition to the stipend each district in good standing receives on an equal basis.

There is very high demand for the funding of projects to help improve the habitat for the sage grouse in the districts. This bill will also allow the Commission to choose projects to be implemented that are the highest priority for the ecosystem and the sage grouse. Tomorrow morning, the Conservation District Program budget account 101-4151 will be presented along with other budgets from the State Department of Conservation and Natural Resources in subcommittees. Budget account 101-4151 proposes an increase in the grant pool discussed in S.B. 45. Enhancement unit E-350 requests an additional \$35,000 to be added to the grant pool of \$40,000, beginning in fiscal year (FY) 2017. The State Conservation Commission may then competitively grant a total of \$75,000 to districts. What S.B. 45 does not do is create a grant pool that does not already exist.

CONSERVATION & NATURAL RESOURCES

DCNR

DCNR - Conservation Districts Program — Budget Page DCNR-34 (Volume III)
Budget Account 101-4151

E-350 Safe and Livable Communities — Page DCNR-36

Senator Goicoechea:

I am not sure of your terminology on how S.B. 45 does not create a grant pool that does not already exist. Are we talking about budgeting money into this pool with additional money and can we anticipate that there will be grant funding available?

Mr. Rubald:

In the last Session, we received \$40,000 per fiscal year, which totaled \$80,000 over the biennium. Last fiscal year, we put that money to use.

Senator Goicoechea:

In equal amounts?

Mr. Rubald:

Yes. We want to make the portion of money we get from the Legislature a competitive grant pool.

Senator Goicoechea:

I am still unclear on your statement about S.B. 45 not creating a competitive grant pool. Clearly, S.B. 45 would allow you to competitively award grant money.

Mr. Rubald:

Yes, it would, but it would allow us to grant money on a competitive basis, which we cannot do currently.

Chair Kieckhefer:

How many projects were you able to award in the current fiscal year with the \$40,000 allocated in equal allotments?

Mr. Rubald:

We funded 14 projects at about \$2,800 each. Most of these projects have been completed, but a few are yet to be completed because of the timing of the season.

Chair Kieckhefer:

Do you expect to have a cap on how much grant money could be awarded per project?

Also, will you award the grant money based off a merit-based system where you could grant somebody \$2,000, and somebody else \$10,000? I would hate to see \$75,000 go to one project.

Mr. Rubald:

I am drafting those regulations to leave the decision up to the Commission. It would be a rare situation for the total funding amount to go to one project.

Chair Kieckhefer:

Will the guidelines by which the grants are made be something that you will put out into regulation?

Mr. Rubald:

Yes. We have promulgated regulations for the \$40,000 on an equal basis. If our amendment is approved, we will then change the regulations so they will be competitive, which is how we originally intended them to be.

Chair Kieckhefer:

Will the grants be competitive for FY 2016 and FY 2017? Or just for FY 2017, when the amount goes up to \$75,000?

Mr. Rubald:

We hope to make it competitive for the entire biennium.

Senator Goicoechea:

Could we see the entire \$75,000 go into three or four projects, depending on how you have it leveraged?

Mr. Rubald:

Yes, but the Commission will look at the leverage factor. We hope to take the

State dollars we receive and match them with federal dollars. Last year, we matched State dollars with federal dollars as part of the funding that was provided at that \$2,800 level.

Senator Goicoechea:

Paradise Valley and Duck Valley are key sage grouse habitat areas where \$100,000 would have a significant impact. Granting \$10,000 to \$20,000 out of this fund would allow areas, such as those, to get off to a good start.

Senator Ford:

Does the grant pool currently exist? It has \$35,000 in it and you want to add additional monies to it?

Mr. Rubald:

Yes, the grant pool exists. It has \$40,000 in it currently.

Senator Ford:

It has \$40,000 dollars and you want to add \$35,000?

Mr. Rubald:

In FY 2017, we want to add to add \$35,000.

Senator Ford:

To be clear, the grant pool does exist and you want to add more money to it?

Mr. Rubald:

I want to make the money competitive. The statute states that any appropriation from the Legislature must be distributed to all the districts on an equal basis. We distributed the stipend we have gotten in the past on a competitive basis.

With this amendment, we want to create a separate fund, specifically for sage grouse habitat. We tried to make the grants competitive in the last Session, but did not realize that changing the statute was necessary.

Chair Kieckhefer:

Yes, the pool exists. The bill before us changes how that pool of resources will be allocated. In the Governor's Recommended Budget, there is an increase of funding of \$35,000 in FY 2017.

Senator Goicoechea:

There are 28 conservation districts. Historically, the amount of grant money awarded has been divided equally among those 28 districts. Elko County has eight districts, so they get the largest share of money. As such, is it necessary to put the grant pool money on a competitive basis?

Steve Walker (Douglas County, Eureka County and Lyon County):

I am representing Eureka, Douglas and Lyon Counties. Douglas County and Lyon County have the bistate sage grouse habitat and Eureka County has the greater sage grouse habitat. All of these counties have active conservation districts and all are in support of S.B. 45.

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Chair Kieckhefer:

Seeing no further public comment or business before this Committee, this meeting is adjourned at 8:26 a.m.

RESPECTFULLY SUBMITTED:

Jason Gortari,
Committee Secretary

APPROVED BY:

Senator Ben Kieckhefer, Chair

DATE: _____

EXHIBIT SUMMARY				
Bill	Exhibit		Witness or Agency	Description
	A	1		Agenda
	B	3		Attendance Roster
S.B. 100	C	1	Mindy Martini	Mindy Martini Conceptual Amendment To S.B. 100
S.B. 100	D	1	John Sande IV	Argentum Partners Proposed Amendment To S.B. 100
S.B. 45	E	2	Tim Rubald	Testimony Tim Rubald